



[4830-01-p]

## DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[REG-106808-19]

RIN 1545-BP32

Additional First Year Depreciation Deduction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Partial withdrawal of a notice of proposed rulemaking.

SUMMARY: This document withdraws a portion of a notice of proposed rulemaking published in the **Federal Register** on September 24, 2019. The withdrawn portion relates to the extent to which a partner is deemed to have a depreciable interest in property held by a partnership.

DATES: Section 1.168(k)-2(b)(3)(iii)(B)(5) of proposed rules (REG-106808-19) published in the **Federal Register** on September 24, 2019 (84 FR 50152) is withdrawn effective January 11, 2021].

FOR FURTHER INFORMATION CONTACT: Elizabeth R. Binder at (202) 317-4869 or Kathleen Reed at (202) 317-4660 (not toll-free numbers).

### SUPPLEMENTARY INFORMATION:

#### **Background**

On August 8, 2018, the Department of the Treasury (Treasury Department) and the IRS published a notice of proposed rulemaking (REG-104397-18) in the **Federal Register** (83 FR 39292) containing proposed regulations under section 168(k) (2018 Proposed Regulations). After full consideration of the comments received on the 2018 Proposed Regulations and the testimony heard at the public hearing on November 28,

2018, the Treasury Department and the IRS published final regulations in the **Federal Register** as TD 9874 on September 24, 2019 (84 FR 50208) (the 2019 Final Regulations) adopting the 2018 Proposed Regulations with modifications in response to such comments and testimony.

Concurrently with the publication of the 2019 Final Regulations, the Treasury Department and the IRS published an additional notice of proposed rulemaking (REG-106808-19) in the **Federal Register** (84 FR 50152) withdrawing certain provisions of the 2018 Proposed Regulations and proposing additional guidance under section 168(k) (2019 Proposed Regulations).

The 2019 Proposed Regulations include §1.168(k)-2(b)(3)(iii)(B)(5), which addresses the extent to which a partner is deemed to have a depreciable interest in property held by a partnership. This document withdraws §1.168(k)-2(b)(3)(iii)(B)(5) of the 2019 Proposed Regulations for the reason stated in the Summary of Comments and Explanation of Revisions section of the final regulations published in the **Federal Register** by the Treasury Department and the IRS as TD 9916 on November 10, 2020.

#### **List of Subjects in 26 CFR Part 1**

Income taxes, Reporting and recordkeeping requirements.

#### **Partial Withdrawal of a Notice of Proposed Rulemaking**

Accordingly, under the authority of 26 U.S.C. 7805, §1.168(k)-2(b)(3)(iii)(B)(5)

of the notice of proposed rulemaking (REG-106808-19) published in the **Federal Register** on September 24, 2019 (84 FR 50152) is withdrawn.

Sunita Lough,

Deputy Commissioner for Services and Enforcement.

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